

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4924-03
Bill No.: Perfected HCS for HB 1640
Subject: Merchandising Practices; Motor Vehicles; Licences - Miscellaneous; Revenue
Department
Type: Original
Date: April 4, 2012

Bill Summary: This proposal amends provisions relating to motor vehicle dealers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(\$505,009 to Unknown)	(\$918,199 to Unknown)	(\$918,199 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$505,009 to Unknown)	(\$505,009 to Unknown)	(\$505,009 to Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 18 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Road Bond	(Unknown)	(Unknown)	(Unknown)
State Road	(Unknown)	(Unknown)	(Unknown)
State Transportation	(Unknown)	(Unknown)	(Unknown)
Conservation Commission	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Parks, and Soil and Water	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
School District Trust	(Unknown)	(Unknown)	(Unknown)
Highway Fund	(\$2,267,644)	(\$1,837,211)	(\$1,837,211)
Motor Vehicle Commission	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	(\$674,215)	(\$564,096)	(\$564,096)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Administrative Hearing Commission, Office of the State Courts Administrator, Department of Health and Senior Services, Office of the State Auditor, Department of Agriculture and Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **City of Lees Summit, Butler County, Independence Police Department, Jackson County Sheriffs Department and Centralia Fire Department** did not respond to our request for fiscal impact.

KC:LR:OD

ASSUMPTION (continued)

Officials from the **Office of Prosecution Services** state there will be no measurable fiscal impact to their agency. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional cost which are difficult to determine.

Officials from the **Department of Elementary and Secondary Education** state there is no anticipated state cost to the foundation formula associated with this proposal. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to school districts increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Oversight assumes the proposal would result in increased fine revenues to local governments. Oversight assumes the revenues from the increased fines would be distributed to local school districts, which would reduce the distributions the school districts would receive from the state school moneys fund, ultimately resulting in a savings to the General Revenue Fund. Oversight has reflected the fiscal impact to the State School Moneys Fund and General Revenue Fund for fiscal years 2014 and 2015, because any increase in fees distributed to schools increases the deduction in the foundation formula the following year.

Officials from the **Missouri Department of Conservation** state there will be an unknown negative fiscal impact, but assumed greater than \$100,000. The Conservation Sales Tax funds are derived from one-eighth of one percent sales and use tax pursuant to Article IV Section 43 (a) of the Missouri Constitution. Exempting materials, replacement parts, and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of motor vehicles used by motor carriers in the transportation of persons or property, and exempting titled manufacturing or mining equipment from sales tax will decrease sales tax collected and thus would decrease revenue to the Conservation Sales Tax funds. The Department assumes the Department of Revenue would be better able to estimate the anticipated fiscal impact that would result from this proposal.

Officials from the **Department of Natural Resources** state this proposal would create a state and local sales tax exemption on materials, replacement parts and equipment purchased for the repair and maintenance or manufacture of motor vehicles used by motor carries in the transportation of persons or property.

ASSUMPTION (continued)

Adding additional sales tax exemptions would decrease the amount of funding available in the Parks & Soils Sales Tax Funds. These funds have been used for the acquisition and development, maintenance and operation of state parks and historic sites and to assist agricultural landowners through voluntary programs.

The Department's Parks and Soils Sales Tax Funds are derived from one-tenth of one percent sales and use tax pursuant to Article IV Section 47(a) of the Missouri Constitution. Therefore, any additional sales tax exemption would be an unknown loss to the Parks and Soils Sales Tax Funds.

Officials from the **Department of Transportation** concur with Department of Revenue regarding any fiscal impact to their organization.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget.

Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** states this legislation adds a new crime for making a false statement or omission on a monthly sales report to Department of Revenue and possessing a fraudulently obtained certificate of ownership, license, or nondriver identification of a new Class A misdemeanor.

This legislation would also make failure to surrender license or distinctive license plates upon demand a new Class A misdemeanor.

ASSUMPTION (continued)

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Department of Corrections (DOC) - Missouri Vocational Enterprises (MVE)** manufactures license plates for statewide vehicle use. This proposal states that dealer plates could be issued to cover a period of up to two years. These plates are currently issued every year. This could possibly reduce the amount of license plate metal sheeting purchased by up to one half. Manufacturing fewer plates would cause smaller sheeting orders which in turn increases the price of sheeting due to volume price breaks that are no longer met. This in turn will likely cause an increase in the per plate price. MVE is reimbursed for their actual manufacturing cost but the consumer may see the increase.

Penalty provisions, the component of the proposal to have potential fiscal impact to DOC, is up to a class D felony. Currently, the DOC cannot predict the number of new commitments which may result from the creation of the offense(s) outlined in this proposal. An increase in commitments depends on if additional persons are sentenced to the custody of the DOC due to the provisions of this legislation.

The DOC will incur a corresponding increase of direct offender cost through incarceration (FY average of \$16,878 per offender, per day, or an annual cost of \$6,160 per inmate).

DOC assumes the narrow scope of the crime will not encompass a large number of offenders. The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence. The probability exist that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional cost, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

ASSUMPTION (continued)

Section 144.030

Officials from the **Department of Revenue (DOR)** state this legislation broadens the sales tax exemption to any motor vehicles transporting persons or property for hire that weigh in excess of 24,000 pounds and to the materials, replacement parts, and equipment for use on motor vehicles used by motor carriers. This section of the proposal is estimated to decrease total state revenues by more than \$5 million annually.

Section 301.130

DOR - Motor Vehicle Bureau (MVB) state procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Department's web site will need to be updated to include information regarding window stickers. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319 in FY13. An instruction pamphlet will need to be developed to provide to the offices for the citizens on the requirements on how to display the window stickers. This will require 40 hours of overtime at a cost of \$1,182. Cost of the pamphlets are shown as follows: 182 offices x 200 pamphlets = 36,400 x \$.06= \$2,184

In summary, DOR assumes a cost of \$4,867 (\$1,182 + \$319 + \$1,182 + \$2184) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

Officials from the **Information Technology - OA-ITSD** state the Department's response to a similar proposal in prior years would have indicated the Department planned to absorb the administrative costs to implement the proposal.

Due to budget constraints, reduction of staff and the limitations within the Department's motor vehicle legacy systems, changes cannot be made without significant impact to the Department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$50,880 calculated on 1,920 FTE hours.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

ASSUMPTION (continued)

On Demand Window Stickers

Currently, the Department issues "Enhanced Security Tabs on Demand" in 13 license offices and mail-in, walk-in, and online transactions conducted at the central office in Jefferson City. The Department pays \$.295 for each set of tabs. Assuming a window sticker cost of \$.46 to \$1.21, the net cost difference would be \$.165 to \$.915 by going from two tabs to one window sticker.

The range in the assumed impact is due to uncertainty as to what the bid specifications of enhanced security window stickers will look like and the bid responses the Department would receive. Assuming the bids for this proposal will be similar to the enhanced security tabs on demand program, the fiscal note has been calculated with a cost per window sticker ranging from \$.46 to \$1.21.

There were 634,129 tabs on demand issued by license offices in calendar year (CY) 11. It is assumed for FY13 an additional 10% would be required to ensure inventory levels are sufficient. Estimated cost range for this proposal using the net cost difference is \$62,779 to \$348,136 in FY13 (6 months) and \$104,631 to \$580,228 in FY14 and FY15. The remaining offices will issue non-correlating window stickers from a stock supply manufactured through Missouri Vocational Enterprises.

Stock Supply Window Stickers

Based on discussions with the current Missouri vendor (who is also Texas' vendor) the estimated cost will be \$.46 for each window sticker. Under this section of the proposal, all vehicles, except motorcycles and trailers, would be issued one window sticker in lieu of any license plate tab. Currently, the Department pays \$.14 for each set of tabs.

Assuming a window sticker cost of \$0.46 each, the net cost difference would be \$.32 by going from two tabs to one window sticker. Based on the first six (6) months of FY12, the Department orders 2,542,400 sets of tabs annually. It is assumed for FY13 an additional 10% would be required to ensure inventory levels are sufficient. Estimated cost for this proposal using the net cost difference is \$488,140 in FY 13 (6 months) and \$813,568 in FY 14 and FY15.

ASSUMPTION (continued)

This will result in a total cost increase for stickers as below:

	FY13 (6 mos)	FY14 & 15
On Demand Window Stickers	\$62,779 - \$348,136	\$104,631 - \$580,228
Stock Supply Window Stickers	<u>\$488,140</u>	<u>\$813,568</u>
Total Cost =	\$550,919 - \$836,276	\$918,199 - \$1,393,796

Oversight assumes DOR will be able to contract for “On Demand Window Stickers” at a cost similar to the “Stock Supply Sticker”. For fiscal note purposes, Oversight will show the cost of the “On Demand Window Stickers” as follows: 317,065 (half the amount of tabs ordered annually) + 31,706 (10%) = 348,771 x .165 = \$57,547 for six months of FY 2013 and \$104,631 annually thereafter.

Oversight calculated the cost for six month supply of “Stock Supply Stickers” as follows: 1,271,200 (half of the amount of tabs ordered annually) + 127,120 (10%) = 1,398,320 x .32 = \$447,462.

The total cost of window stickers for FY 13 would be \$505,009 (\$57,547 + \$447,462) and \$918,199 (104,631 + 813,568) per year thereafter.

Oversight assumes DOR will need an appropriation from General Revenue to implement this legislation due to the 3% cap from Amendment 3.

Section 301.140

DOR states during FY 11 the Department processed 288,190 license plate transfers which would require a plate and window sticker change. There will be an increase in revenue from the \$8.50 replacement window sticker fee of \$2,449,615 per year distributed as follows:

ASSUMPTION (continued)

	<u>FY 13</u>	<u>FY 14 & 15</u>
Highway Fund (75%):	\$918,606	\$1,837,211
Cities (15%):	\$183,721	\$367,442
Counties (10%):	\$122,481	\$244,962
Totals:	\$1,224,808	\$2,449,615

Section 301.218

DOR states this section of the proposal deletes "mobile scrap processor" to "scrap processor" for licensing purposes. The Department assumes this will increase these types of licenses by 30 applicants annually. A salvage business license costs \$65 with an increase to the Motor Vehicle Commission Fund of \$1,625 in FY13 (10 months) and \$1,950 thereafter.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

Section 301.580

DOR assumes procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Department will need to develop an application for special event motor vehicle auction license and a form to report all vehicles included in the auction. These forms will be in electronic format. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182.

The Department web site will need to be updated to include information for the special event motor vehicle auction license. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319.

In summary, DOR assumes a cost of \$2,683 (\$1,182 + \$1,182 + \$319) in FY 2013 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

KC:LR:OD

ASSUMPTION (continued)

There will be an unknown increase to the Motor Vehicle Commission Fund due to the \$1,000 special event motor vehicle auction license fee. There could also be an unknown increase to the Motor Vehicle Commission Fund from the \$500 administrative fee for every vehicle auctioned in violation of subsection 6.

Oversight assumes the revenue increase to the Motor Vehicle Commission Fund from this Section would be Unknown to less than \$100,000. Oversight will range the income to the Motor Vehicle Commission Fund as Unknown to less than \$100,000.

Section 302.132

DOR states the proposed changes will require draft updates to web site information, updating of office procedures and updating of the Missouri Motorcycle Operator's Manual and Missouri Driver Guide (on-line and printed versions).

Motor Vehicle Bureau FY 2013

Administrative Analyst -	120 hrs @ \$24 (1 ½) per hr =	\$2,880
Management Analyst Specialist II -	160 hrs @ \$23 per hr =	\$3,680
Revenue Band Manager -	40 hrs @ \$30 per hr =	<u>\$1,200</u>
	Total =	\$7,760

Personnel Services Bureau FY 13

Administrative Analyst III	20 hrs@ \$22 per hr =	\$ 440
2 Management Analysis Specialist I -	80 hrs@ \$21 per hr =	<u>\$1,680</u>
	Total =	\$2,120

Information Technology FY 13

IT Personnel	180 hours @ 26.50 per hour =	<u>\$4,770</u>
	Total =	\$4,770

ASSUMPTION (continued)

In summary, DOR assumes a cost of \$14,650 (\$7,760 + \$2,120 + \$4,770) in FY 2013 to provide for the implementation of the changes in this section of the proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service cost related to this proposal.

House Amendment 1

Oversight assumes the above mentioned agencies are provided with core funding to handle a certain amount of activity each year. Oversight assumes they could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, the agencies can request funding through the appropriation process.

House Amendment 2

Oversight assumes this amendment would not change responses for fiscal impact for the above mentioned agencies.

House Amendment 4

Oversight assumes this amendment would not change responses for fiscal impact for the above mentioned agencies.

House Amendment 5

In response to a similar proposal from this year (SB 642), officials from the **Department of Transportation, Department of Public Safety - Missouri Highway Patrol** and **Office of the State Courts Administrator** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal from this year (SB 642), officials from the **Office of Prosecution Services** assume there will be no measurable fiscal impact from this proposal. The creation of a new crime creates additional responsibilities for county prosecutors which may in turn result in additional cost which are difficult to determine.

ASSUMPTION (continued)

In response to a similar proposal from this year (SB 642), officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide effective representation for any new cases arising where indigent persons are charged with the proposed new crime of endangerment of emergency personnel or emergency responder - a new Class C misdemeanor.

While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide effective representation. .

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

In response to a similar proposal from this year (SB 642), officials from the **Department of Revenue - Driver License Bureau** estimates 40 hours of system testing for on Administrative Analyst I at \$16 per hour or \$640.

In response to a similar proposal from this year (SB 642), officials from the **Department of Revenue - Information Technology (OA-ITSD)** estimates 40 hours for 1 full time employee valued at \$1,060 to make the IT changes that would be necessary for this proposal.

In summary, DOR assumes a cost of \$1,700 (\$640 + \$1,060) in FY 2012 to provide for the implementation of the changes in this proposal.

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

House Amendment 1 to House Amendment 5

Oversight assumes this amendment would not change responses for fiscal impact for the above mentioned agencies.

House Amendment 2 to House Amendment 5

In response to a similar proposal from this year (HB 1213), officials from the **Office of the State Auditor** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

In response to a similar proposal from this year (HB 1213), officials from the **Department of Revenue** assume the provisions of this bill will only apply to new request for proposals for license office contracts and will not have any affect on current license office contracts or their renewal. Based on this assumption, there will be no fiscal impact to the department.

In response to a similar proposal from this year (HB 1213), officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the Secretary of State's Office for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, we reserve the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

In response to a similar proposal from this year (HB 1213), officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost - Department of Corrections - Missouri Vocational Enterprises - Window sticker production</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost - Department of Revenue - Window sticker cost</u>	<u>(\$505,009)</u>	<u>(\$918,199)</u>	<u>(\$918,199)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$505,009 to Unknown)</u>	<u>(\$918,199 to Unknown)</u>	<u>(\$918,199 to Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
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ROAD BOND FUND

<u>Revenue reduction</u> - Sales tax exemption	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON ROAD BOND FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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STATE ROAD FUND

<u>Revenue reduction</u> - Sales tax exemption	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON STATE ROAD FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
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STATE TRANSPORTATION FUND

<u>Revenue reduction</u> - Sales tax exemption	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON TRANSPORTATION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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SCHOOL DISTRICT TRUST FUND

<u>Revenue reduction</u> - Sales tax exemption	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**CONSERVATION COMMISSION
FUND**

<u>Revenue reduction</u> - Sales tax exemption	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>
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ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>
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PARKS, SOIL AND WATER FUND

<u>Revenue reduction</u> - Sales tax exemption	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>
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ESTIMATED NET EFFECT ON PARKS, SOIL AND WATER FUND	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>	<u>(Less than</u> <u>\$100000)</u>
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2013 (10 Mo.)	FY 2014	FY 2015
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MOTOR VEHICLE COMMISSION

<u>Income</u> - Increase in types of licenses (Section 301.218)	\$1,625	\$1,950	\$1,950
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<u>Income</u> - Increase in revenue from special event motor vehicle auction and administrative fee. (Section 301.580)	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
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ESTIMATED NET EFFECT TO MOTOR VEHICLE COMMISSION	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>	<u>Less than</u> <u>\$100,000</u>
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<u>FISCAL IMPACT - State Government</u> (continued)___	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
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HIGHWAY FUND

<u>Income</u> - Revenue from replacement window sticker fee	<u>\$918,606</u>	<u>\$1,837,211</u>	<u>\$1,837,211</u>
<u>Revenue reduction</u> - Sales tax exemption	<u>(\$3,186,250)</u>	<u>(\$3,823,500)</u>	<u>(\$3,823,500)</u>
ESTIMATED NET EFFECT TO HIGHWAY FUND	<u>(\$2,267,644)</u>	<u>(\$1,837,211)</u>	<u>(\$1,837,211)</u>

<u>FISCAL IMPACT - Local Government</u>	<u>FY 2013</u> (10 Mo.)	<u>FY 2014</u>	<u>FY 2015</u>
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LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - Revenue from replacement window sticker fee	<u>\$306,202</u>	<u>\$612,404</u>	<u>\$612,404</u>
<u>Revenue reduction</u> - Sales tax exemption	<u>(\$680,417)</u>	<u>(\$1,176,500)</u>	<u>(\$1,176,500)</u>
ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	<u>(\$674,215)</u>	<u>(\$564,096)</u>	<u>(\$564,096)</u>

FISCAL IMPACT - Small Business

A fleet vehicle business with less than 50 motor vehicles will not be able to get fleet license plates bearing a company name or logo.

FISCAL DESCRIPTION

The proposed legislation amends provisions relating to motor vehicle dealers.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

KC:LR:OD

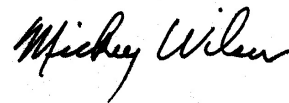
SOURCES OF INFORMATION

Department of Revenue
Department of Insurance, Financial Institutions and Professional Registration
Office of the Secretary of State
Joint Committee on Administrative Rules
Department of Transportation
Department of Corrections
Department of Public Safety
Office of Prosecution Services
Office of the State Courts Administrator
Office of the State Public Defender
Administrative Hearing Commission
Office of the State Auditor
Department of Elementary and Secondary Education
Missouri Department of Conservation
Department of Agriculture
Department of Natural Resources
Department of Health and Senior Services

NOT RESPONDING

City of Lees Summit
Butler County
Independence Police Department
Jackson County Sheriffs Department
Centralia Fire Department

Mickey Wilson, CPA

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Director
April 4, 2012